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MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT: Agency Organization. A recent recommendation in front of you which advocates that the Agency undertake an "intensive organizational study to the end of streamlining the functions, clarifying lines of responsibility and authority, reducing overhead and increasing efficiency and effectiveness....and simplifying the elaborate staff structure of DD/P...."

1. The point of view of the Chief, Management Staff, dealing substantially, but not completely, with Agency and component organization may assist you in resolution of position in respect to this over-ridingly important subject. Certain selected views are set forth here below with the purpose of raising enough substantive questions to lead to the subscribed recommendation:
 - a. Aside from the Director's Executive Assistant and the informal miscellany of officers who walk in or are called in, there are nine (9) different officers authorized as reporting directly to the DCI. These are the DDCI, the IG, the Special Assistant for Planning and Coordination, the DD/P, the DD/I, the DD/A, the AD for Communications, Director of Training, and the AD for Personnel.
 - b. In my view, there are not only too many so reporting, but the echelon alignment of the AD for Communications, the Director of Training, and the AD for Personnel is wrong and the titles are confusing. Further, the personnel functions should not be headed by an AD in the same echelon as so many other officers.
 - c. The total work of the Agency should be supervised by Deputy Directors, and therefore the problem embodied in the above criticism is to provide differently for the AD/Commo, Director of Training, and the AD/Personnel. Such provision is embodied next.
 - d. The greatest asset of the Agency is its employees, and good personnel administration is an art, not a trade. Administration in respect to money and materiel is a trade. Therefore, resolution of our organizational

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alignment ought to lie with the creation of a (fourth) Deputy Director for Personnel, and he should supervise directly the whole related functions of Training and the Medical Staff. This contemplates the retention of the title Director of Training and the elimination of the title of Assistant Director for Personnel from anywhere within that function. It is emphasized that such treatment of these functions (personnel, training and medical service) is common in industry and business as well as in the Armed Services, i.e., "Vice President, Personnel", "G-1", and "A-1", etc., etc.

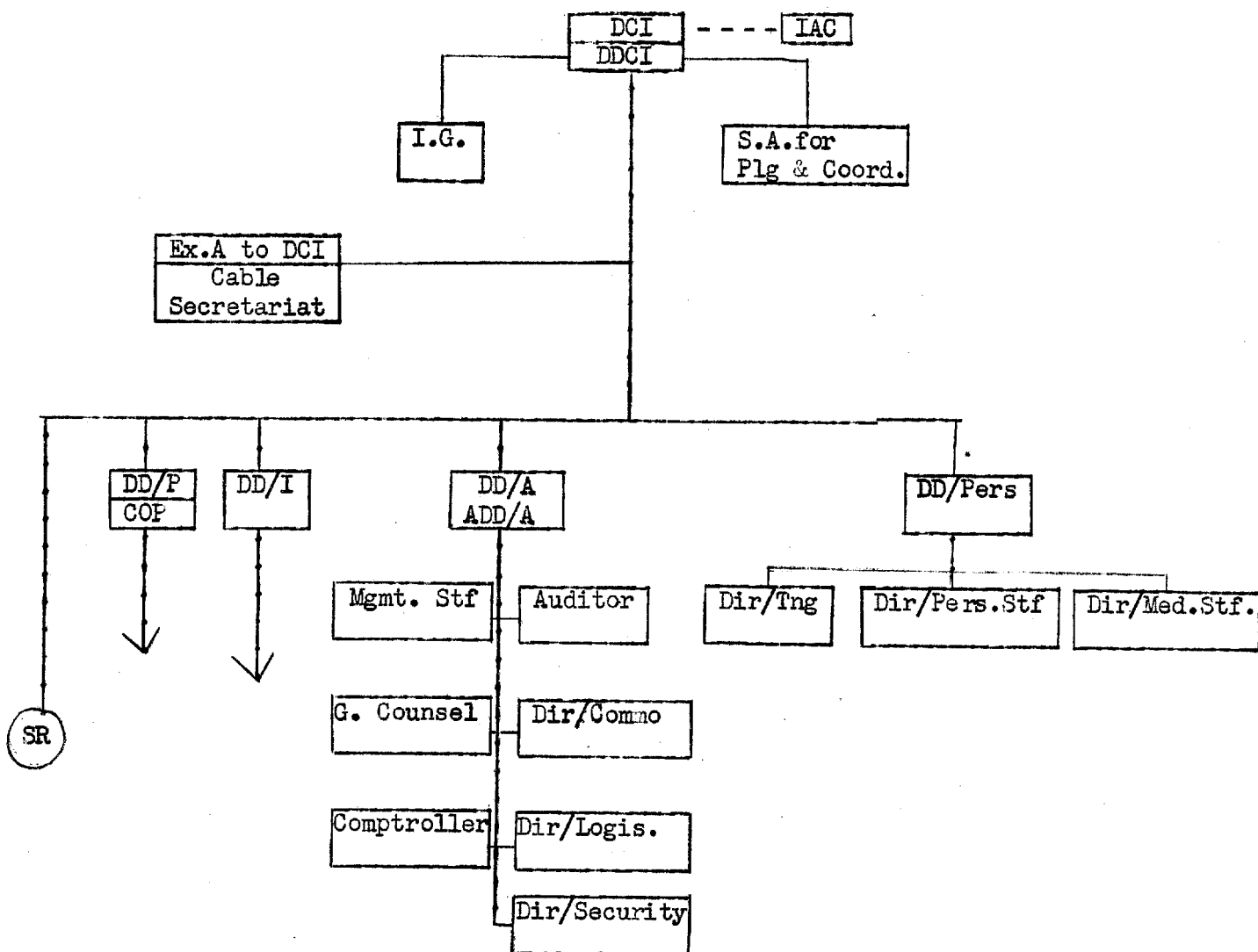
Not until we do this will the personnel function ever gain the strength of position needful to properly assert Agency-wide personnel policy and practice. Also, only then, by virtue of strength of position (and only so) can the personnel function within the DD/P, vis-a-vis the Personnel Office itself, be properly aligned and corrected from its present mis-alignment.

- e. Then, give the function of Communications over to the DD/A. This function is Agency-wide (the DD/P gets about 70 per cent) but there is no more logic for placing it as we now have it than there is for so aligning the very large Logistics Office, or the Security Office.
- f. I would leave the Security Office as presently aligned with the DD/A, but give to Personnel the explicit responsibility for staff supervision of Security's impingements on our employees. The function of Security is an operating function before it is a personnel function, in spite of its heavy impingements on employees, and of course, it is obviously wider in comprehension than just to do with employees.
- g. I would change the title of Assistant Director for Communications to Director of Communications, make the Chief of Logistics, Director of Logistics, and leave the title of Director of Security and all of the others, as is. The recommendation concerning the matter of titling above, eliminates the confusion now existing and provides uniformity.
- h. The Agency Organization Chart dealing with the above would then appear as follows:

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2. The second general observation of importance deals with the organization of the DD/P Area. Considerations in respect thereto are set forth below, but so much as is put forward as to the DD/P does not at all mean that worthy, but less important, organizational considerations aren't due within the DD/I Area. Such are just not dealt with here.

- a. Outside of the Executive Secretariat, there are 16 different offices reporting to the COP DD/P. This is too many, and that fact is further emphasized by the complete absence of any deputies in between these divisions and

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staff heads and the Chief of Operations. The present organization would be sufferable with at least two deputies.

- b. The Inspection and Review function when self-contained within the DD/P is far weaker than when such scrutinies are laid on from the Agency IG level. Therefore, better functioning, as well as economy, would seem to dictate that I&R be given over to the Agency IG.
- c. It is considered better organizationally, and hence productive of better operations, to admit the function of operational support. By this is meant the support which is a specialized function completely integrated with operations and completely separable from administration. One could call such functions "contributing operators". They work hand in glove with and on a continuing basis with the operators, and because they are so substantially inter-related within themselves they could successfully be put together for strengthening and for top level (Staff Chief) supervision. These functions are Cover Division now in the Plans Staff, FI, LCB (official cover) now in Operations, FI Staff, CM now in the Administration Staff, AM now attached to DD/P directly, TSS now reporting directly to the DD/P (personalities may not permit this change today), and RI, now within the FI Staff. I feel strongly that the CM function must be left out of administration in order to integrate it with operations. It is part of operations in the same way as operational security and cover. 25X1A
- d. In the recent past, the functions of the four large staffs above the divisions, FI, PP, PM and Administration, have been entirely unclear in respect to the corresponding staff function within the divisions, and of course, numbers of personnel so involved are equally questionable, to say nothing of delay and confusion as a result therefrom.
- e. The whole matter of functioning of personnel administration within DD/P is wide open and an unhappy one.
- f. The above contemplates only enough substance to raise a serious organizational conception and there is needed a further study.
- g. A recent organizational proposal puts "staff advisors" (FI, PP, and PM and Support) in the line of command under

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the Chief of Operations. The words "staff" and "line of command" are incompatible. Further, if this suggestion truly contemplates a staff function, then the proposal still leaves 16 reporting directly to COP, even with the proposed removal of I&R to IG, and the absorption of SR by other divisions.

It is interesting to observe that this same recent proposal contemplates an operational support staff made

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3. These two views set forth above are substantial and radical enough to ask an over-riding question: Would any concurrence ever be secured along these lines given origination of them within our own house? This question suggests that here we might remember that often the grass appears to be greener on the other side of the fence, or to put it in a more dignified fashion - quoted from the 4th Verse, 6th Chapter of St. Mark: "But Jesus said unto them: a prophet is not without honor, but(except) in his own country, and among his own kin and in his own house..." The national importance of this Agency leads me, therefore, to conclude that the "intensive" study referred to at the beginning herein should be done by the employment of an outside Big Name in the management consulting field, much along the lines employed by the State Department in the retention of Robert Heller & Associates, Inc., of Cleveland, Ohio.*

[REDACTED]
Chief, Management Staff

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- * Heller & Associates is the company employed to do the study of the Post Office Department and the organization of Congress. One of the principal officers of Heller & Associates is now a senior officer within the Post Office Department. Also, they were the outside consultants employed by the Hoover Commission. Their acceptability within Government is established.

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